

Message Text

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ACTION EUR-12

INFO OCT-01 EA-09 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-08 FRB-01 INR-07 IO-14 NEA-10 NSAE-00 USIA-15
OPIC-06 SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00
OMB-01 SS-15 PA-02 PRS-01 XMB-04 NSC-05 STR-04
/128 W

-----094397 050850Z /10

R 040942Z AUG 77

FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 1244
INFO AMEMBASSY ANAKAR
AMEMBASSY ATHENS
AMEMBASSY BELGRADE
AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY BRUSSELS
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY HELSINKI
AMEMBASSY LISBON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY REYKJAVIK
AMEMBASSY ROME
AMEMBASSY TOKYO
AMEMBASSY VIENNA

UNCLAS STOCKHOLM 3215

E.O. 11652: N/A

TAGS: EFIN, SW

SUBJECT: SWEDISH MINISTER DENIES HAVING SAID ANYTHING ABOUT
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DEVALUATION

REF: STOCKHOLM 3182

1. ON AUGUST 2 THE STOCKHOLM DAILY NEWSPAPER SVENSKA
DAGBLADET REPORTED THAT SWEDISH ECONOMICS MINISTER GOSTA
BOHMAN DENIED THAT HE HAD SAID ANYTHING ABOUT A FORTH-

COMING DEVALUATION OF THE SWEDISH KRONA (REFTEL). MINISTER BOHMAN APPARENTLY FELT COMPELLED TO MAKE THIS DENIAL FOLLOWING RECENT ACCUSATIONS BY SEVERAL PROMINENT SWEDES, INCLUDING SWEDEN'S FORMER PRIME MINISTER OLOF PALME, AND JAN MAGNUS FAHLSTROM, EDITORIAL WRITER OF THE STOCKHOLM DAILY DAGENS NYHETER, THAT HE HAD BEEN BABBLING OR GOSSIPING ABOUT A FORTHCOMING DEVALUATION. FAHLSTROM, IN A VERY CRITICAL EDITORIAL IN DAGENS NYHETER, EVEN WENT SO FAR AS TO SAY THAT THE OTHER MEMBERS OF THE SNAKE "PROBABLY NEVER HAD DREAMED THAT SUCH A LOOSE-MOUTHED ECONOMICS MINISTER EXISTED."

2. THE ACCUSATIONS AGAINST BOHMAN STEMMED FROM AN EXCLUSIVE INTERVIEW GRANTED TO DANIELLE HUNEBELLE, EDITOR OF INTERNATIONAL LETTER, A NEWSLETTER PUBLISHED IN PARIS. THE INTERVIEW TOOK PLACE IN STOCKHOLM AS EARLY AS MID-JUNE BUT WAS PUBLISHED IN THE AUGUST 1 ISSUE OF INTERNATIONAL LETTER. IT SHOULD BE NOTED THAT THE AP NEWS AGENCY IN PARIS BASED ITS TELEGRAM (PARA 1 REF-TEL) ON THE INTERVIEW WITH BOHMAN AS PUBLISHED IN THE AUGUST 1 ISSUE OF INTERNATIONAL LETTER. THE FOLLOWING EXCERPTS TAKEN FROM THE RELEVANT SECTIONS OF THE INTERVIEW WILL CLARIFY WHAT BOHMAN ACTUALLY SAID IN HIS OWN WORDS:

QUESTION: CAN SWEDEN AFFORD TO REMAIN THE SNAKE?

ANSWER: THERE IS THIS TALK IN SWEDEN JUST NOW OF A
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VERY BIG DEVALUATION. IF WE DID THIS, WE WOULD HAVE TO LEAVE THE SNAKE. IT COULD LEAD TO NEGATIVE POLITICAL REACTIONS AGAINST US AS WELL, THOUGH NOT NECESSARILY, BECAUSE EVEN IN WEST GERMANY THEY ARE DEBATING THE VALUE OF THE SNAKE. BUT WE BELIEVE WE SHOULD REMAIN IN THE SNAKE.

QUESTION: WOULD YOU SAY SIX PERCENT IS THE MAXIMUM DEVALUATION COMPATIBLE WITH STAYING IN THE SNAKE IN ANY FUTURE SITUATION?

ANSWER: I COULDN'T SAY BECAUSE IT DEPENDS ON THE OTHER SNAKE STATES. AT THE RECENT SUMMIT MEETING IN THE UNITED STATES, ARTHUR BURNS, AND EVEN TREASURY SECRETARY BLUMENTHAL, ASKED THE STRONG COUNTRIES TO APPRECIATE THEIR CURRENCIES. THEREFORE, I HOPE THE D-MARK WILL BE APPRECIATED MORE.

3. COMMENT. BOHMAN'S REMARKS IN HIS MID-JUNE INTERVIEW WITH HUNEBELLE HAVE OBVIOUSLY BEEN GARBLED AND MISINTERPRETED BY THE SWEDISH PRESS. THE GROWING DISCUSSION OF A POSSIBLE DEVALUATION OF THE KRONOR GAVE BOHMAN'S GARBLED REMARKS MORE NEWS VALUE AND BOHMAN'S POLITICAL OPPONENTS, DESCRIBING HIS REMARKS AS -BABBLING",

HAVE SEIZED THE OCCASION TO GET IN SOME POLITICAL LICKS.
PERRY

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NNN

Message Attributes

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Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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TAGS: EFIN, SW, (BOHMAN, GOSTA), (FAHLSTROM, JAN MAGNUS)
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